



The Florida Senate

Interim Project Report 2000-11

September 1999

Committee on Budget

Senator Locke Burt, Chairman

LIBRARY NEEDS

SUMMARY

The State of Florida provides funding from the General Revenue Fund for libraries through three primary programs: Library Operational Grants, Library Construction Grants, and Multitype Library Cooperative Grants. Fiscal Year 1999-2000 funding levels for these three programs are \$31.4 million for Operational Grants, \$2.9 million for Construction Grants, and \$1.2 million for Cooperative Grants. These grants are administered by the Division of Library and Information Services within the Department of State.

The statutory maximum funding allowed for the Library Operational Grant Program is 25 cents per dollar of local effort. Currently, the state is providing 10.3 cents and it would cost approximately \$42 million additional per year to reach 25 cents. For the Library Construction Grant Program an additional \$230 million in total would be needed to bring Florida public libraries up to the widely accepted formula of .6 square feet per capita. The Multitype Library Cooperative Grant Program has a statutory annual maximum of \$2.4 million for the six current cooperatives and it would take an additional \$1.2 annually to reach that level.

It is recommended that funding for these three programs be continued at no less than the current level.

Furthermore, based upon the current statutory maximum of 25 cents per dollar of local effort for operating grants, the formula of .6 square feet of library space per capita, and our low comparisons with the national average in various library functions, it appears that Florida is in a deficit position in library services offered to its citizens. It is recommended that additional research be conducted in the interim to make a more conclusive determination regarding the validity of these comparisons and standards given current technology and utilization practices.

BACKGROUND

The State of Florida provides funding from the General Revenue Fund for libraries through three primary programs: Library Operational Grants, Library Construction Grants, and Multitype Library Cooperative Grants. Fiscal Year 1999-2000 funding levels for these three programs are \$31.4 million for Operational Grants, \$2.9 million for Construction Grants, and \$1.2 million for Cooperative Grants. These grants are administered by the Division of Library and Information Services within the Department of State.

Library Operational Grants

Library operational grant funds are distributed pursuant to four different subprograms:

1. Operating Grants
2. Equalization Grants
3. Multicounty Library Grants
4. Establishment Grants

Operating Grants - A political subdivision that has been designated by a county as the single library administrative unit is eligible to receive from the state an annual operating grant of not more than 25 percent of all local funds expended by that political subdivision during the second preceding fiscal year for the operation and maintenance of a library. This percentage is often expressed in cents per dollar of local effort.

This type of grant accounts for approximately 80% of the total appropriation for the Library Operational Grants Program.

Equalization Grants - Equalization Grants may be awarded to counties that generally have less ability to provide library funds than the urban, more populated counties. This type grant is based upon a formula that takes into account millage value and local per capita expenditure for library support. Currently, 34 counties qualify for this type of grant.

Multicounty Library Grants - Multicounty Library Grants may be awarded to the administrative unit of a Multicounty library that serves a population of 50,000 or more, or has three or more counties. The grant funds are to be used for the support and extension of library service in participating counties. The grant is computed by the division on a state matching basis up to \$1 million in local expenditures by all participating counties for operation and maintenance of a library during the second preceding year. The amount of the grant is increased as the number of counties involved increases.

Establishment Grants - A grant for the establishment of library service may be paid for 1 year only to any county, and counties and municipalities entering into an inter-local agreement pursuant to chapter 163, a special district, or a special tax district, any of which qualifies for an operating grant. An establishment grant shall equal, and shall be in addition to, the total grant (operating, multi counties, and equalization); however, no establishment grant may exceed \$50,000.

The following table shows funding for the Library Operational Grant Program for the latest 10 year period:

FISCAL YEAR	GRANT AMOUNT	CENTS PER DOLLAR OF LOCAL EFFORT
1990-91	\$ 17,335,737	11.3
1991-92	\$ 17,335,737	11.6
1992-93	\$ 19,935,757	11.4
1993-94	\$ 22,935,757	11.6
1994-95	\$ 25,000,000	11.3
1995-96	\$ 25,000,000	12.4
1996-97	\$ 27,500,000	11.3
1997-98	\$ 29,000,000	10.8
1998-99	\$ 30,700,000	11
1999-00	\$ 31,400,000	10.3

Federal Operating Grants

In addition to state funding, federal grants are received through the Library Services and Technology Act and administered by the Federal Institute of Museum and Library Services. These grants are intended to increase information access through technology and to promote information empowerment through special services. Each state is awarded a base amount of \$340,000, plus an additional amount that is calculated using a population-based formula. In Fiscal Year 1998-99, Florida's award amounted to \$6.1 million. The department awards grants to fund library services at

both the state and local level through a competitive process that includes evaluation and scoring of proposals by program staff and management and an advisory council. Federal grants have a state matching requirement, which flows down to the local libraries for any subgrants they are awarded.

Library Construction Grants

The Division of Library and Information Services administers and allocates library construction moneys appropriated for municipal, county, and regional libraries on the basis of a local match of no less than 50 percent. The maximum annual grant award is \$500,000. The first year for state funding of library construction projects under this program was FY 1973-74. The following table shows funding for this program for the latest 10 year period:

FISCAL YEAR	# OF GRANT RECIPIENTS	GRANT AMOUNT
1990-91	N/A	\$ 2,039,302
1991-92	N/A	\$ 1,400,000
1992-93	N/A	\$ 400,000
1993-94	9	\$ 2,729,242
1994-95	4	\$ 1,524,475
1995-96	2	\$ 600,000
1996-97	18	\$ 6,357,000
1997-98	3	\$ 1,200,000
1998-99	14	\$ 6,083,535
1999-00	10	\$ 2,919,050

Federal Construction Grants

Historically, the federal government has also provided funding for library construction. Over the past ten years the amount provided annually to Florida has ranged from \$.6 million to \$1.1 million. The state administered this federal program through a grant application process. This federal program ended in FY 1996-97, with the last dollars from the program being appropriated by the state in FY 1998-99.

Multitype Library Cooperative Grants

Libraries that are under separate governance may establish nonprofit library cooperatives for the purpose of sharing resources. Library cooperatives are constituted of more than one type of library, including

any combination of academic, school, special, state institutional, and public libraries. The administrative unit of a library cooperative is eligible to receive an annual grant from the state of not more than \$400,000 for the purpose of sharing library resources based upon an annual plan of service and expenditure and an annually updated 5 year, long-range plan of cooperative library resource sharing. This maximum grant amount was \$200,000 until FY 1996-97. Those plans, which must include a component describing how the cooperative will share technology and the use of technology, must be submitted to the Division of Library and Information Services for evaluation and recommendation for funding in the division's legislative budget request. Grant funds may not be used to supplant local funds or other funds. A library cooperative must provide from local sources, matching cash funds equal to 10 percent of the grant award. The first year of state funding was FY 1993-94. The following table present funding levels for FY 1993-94 through FY 1999-2000:

FISCAL YEAR	# GRANT RECIPIENTS	MAX STATUTORY FUNDING	APPROPRIATION
1993-94	3	\$ 600,000	\$ 600,000
1994-95	4	\$ 800,000	\$ 750,000
1995-96	4	\$ 800,000	\$ 750,000
1996-97	5	\$2,000,000	\$1,000,000
1997-98	6	\$2,400,000	\$1,200,000
1998-99	6	\$2,400,000	\$1,200,000
1999-00	6	\$2,400,000	\$1,200,000

METHODOLOGY

A wealth of published information, both current and historical was provided by the Division of Library and Information Services. This included such information as rankings by year by library for circulation, reference transactions, library visits, and book volumes. Additionally, the Office of Program Policy Analysis and Government Accountability (OPPAGA) provided Performance-Based Program Budgeting and Justification Review information for the Division.

Staff had discussions with and/or solicited information from representatives of the Florida Library Association, the Multitype Library Cooperatives, the director and his staff of the Division of Library and Information

Services, OPPAGA, and staff of the Senate Committee on Governmental Reform and Oversight.

A thorough review of the governing statutes and rules pertaining to library funding was undertaken. The primary statute for the Division of Library and Information Services and the various grant programs is Chapter 257, Florida Statutes. The respective rules for library grant programs are contained in Chapter 1B-2, Florida Administrative Code.

FINDINGS

Library Operational Grants

Of the four subprograms funded under the Library Operational Grant Program, Equalization Grants, Multicounty Library Grants, and Establishment Grants are funded "off-the-top", with the remainder of approximately 80 percent being prorated for Operating Grants to counties based upon local effort. As can be seen from an earlier table, the amount of grant funding for the total program has increased from \$17.3 million in FY 1990-91 to \$31.4 million in FY 1999-2000. However, after adjustments for the "off-the-top" grant distributions, the chart shows the cents per dollar of local effort has dropped from 11.3 cents to an estimated 10.3 cents for the same time period for Operating Grants. Although this does not equate to a reduction in total funding for libraries, it does point to a percentage reduction in state versus local effort. The estimated total needed for the Library Operational Grant Program to fund the Operating Grant subprogram at 25 cents per dollar of local effort would be approximately \$73 million annually.

Should the state provide additional funding for library operations, what would be the impact? The latest Florida/U.S. comparison available shows circulation (books borrowed) per capita at 5.46 for Florida versus 6.40 nationwide, library visits per capita at 3.57 for Florida versus 4.10 nationwide, and volumes of books available for borrowing per capita at 1.65 for Florida versus 2.70 nationwide. Thus, one fairly obvious impact of additional funding would be more resources available, be they books, computers, etc. Another important potential impact could be the implementation of a statewide library card. Currently, library cards are usually limited to a county or to within a municipality.

Library Construction Grants

According to the widely accepted Wheeler-Goldhor formula of .6 square feet of library service area per capita, Florida public libraries are 2.7 million square feet in deficit. At an estimated building cost of \$86 per square foot, this deficit would amount to a total cost of approximately \$230 million. With the maximum annual state grant award per library being \$500,000 and a required local match of 50 percent, this level will be very difficult, if not impossible to achieve. And, as Florida continues to grow, this deficit will widen unless sufficient funds are provided at both the state and local level.

Multitype Library Cooperative Grants

Multitype Library Cooperatives are allowed by statute to receive up to \$400,000 per cooperative annually from the state for operations. There are 6 cooperatives in existence today and they are each provided \$200,000, for a total appropriation by the state of \$1.2 million. They also receive funding from local sources (usually membership dues), and the federal government. The total amount of funding from the federal government for all six cooperatives is approximately \$1.5 million.

Since by statute, library cooperatives may not use state funds to supplant local or other funds, an increase in state funding would be used for improved services. Library cooperatives do not directly serve the public but work with other institutions. Additional funding would result in greater interlibrary loan capabilities, increased education and training, increased usage and capabilities in the electronic information area, and greater innovation testing of new technologies.

RECOMMENDATIONS

1. It is recommended that funding for the three library grant programs of Library Operational Grants, Library Construction Grants, and Multitype Library Cooperative Grants be continued at no less than their current level of funding. And, because these programs impact the entire state population, the appropriate funding source is the current source, that being the General Revenue Fund

2. Based upon the current statutory maximum of 25 cents per dollar of local effort for operating grants, the formula of .6 square feet of library space per capita, and our low comparisons with the national average in various library functions, it appears that Florida is in a deficit position in library services offered to its citizens. It is recommended that additional research be conducted in the interim to make a more conclusive determination regarding the validity of these comparisons and standards given current technology and utilization practices.

COMMITTEE(S) INVOLVED IN REPORT *(Contact first committee for more information.)*

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Committee on Governmental Oversight and Productivity

MEMBER OVERSIGHT

Senators James Hargrett and Daniel Webster